

BILL ANALYSIS

Senate Research Center

S.B. 1095

By: Lucio

Finance

6-24-91

Enrolled

BACKGROUND

The 70th Legislature, Regular Session, 1987, authorized the comptroller of public accounts and the Uniform Statewide Accounting System (USAS) Committee to study, develop, and begin the implementation of the USAS for the state of Texas. The USAS Committee recommended a design for USAS in August, 1988. The 71st Legislature, Regular Session, 1989, authorized the comptroller to implement USAS in accordance with the design recommended by the USAS Committee. Additionally, the 71st Legislature made necessary changes to certain obsolete accounting statutes and payment procedures and overhauled the use of petty cash funds by state agencies. Since the end of the last regular legislative session, the comptroller and the USAS committee have continued to study, design, and implement USAS.

PURPOSE

As proposed, S.B. 1095 amends existing state law and enacts new laws regarding the uniform statewide accounting system.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is granted to the State Comptroller under SECTION 6, Section 403.021(g), SECTION 14, Section 404.1411(b), SECTION 35, Article 6252-31, Sections 6 and 7, and SECTION 37, Article 6813d-1, Section 6 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 57.48, Education Code, as follows:

Sec. 57.48. WARRANTS NOT TO BE ISSUED TO DEFAULTING PARTIES.
(c) Allows the comptroller to issue a warrant to the assignee of a person who is in default on a student loan only if the assignment became effective before the person defaulted.

(d) Prohibits the comptroller from using an electronic funds transfer system to pay a person to whom the comptroller is prohibited from issuing a warrant.

(e) Provides that this section does not prohibit the comptroller from issuing a warrant to pay a state officer's or employee's compensation.

(f) Provides for payment by a state agency to a person in default when the payment is made other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.

(g) Defines "compensation," "state agency," and "state officer or employee."

SECTION 2. Amends Section 321.012, Government Code, as follows:

Sec. 321.012. EXPENDITURES AND SALARIES. (c) Deletes the subsection, which requires the chairman of the committee to approve a voucher issued for payment of the salary or expenses of the State Auditor, before the payment may be made.

SECTION 3. Amends Section 403.004, Government Code, to make a non-substantive change.

SECTION 4. Amends Section 403.016(d), Government Code, to allow the comptroller to make a payment through an electronic funds transfer system when a law requires the payment to be made by warrant.

SECTION 5. Amends Section 403.017, Government Code, as follows:

Sec. 403.017. New title: CUSTODY OF SECURITY FOR MONEY AND DEEDS. (a) Requires a bond, note, or other security for money given to the state or an officer for the use of the state to be deposited in the comptroller's office. Deletes old language concerning deposits in the comptroller's office.

SECTION 6. Amends Chapter 403, Government Code, by adding Section 403.021, as follows:

Sec. 403.021. ENCUMBRANCE REPORTS. (a) Requires a state agency that expends appropriated funds to submit a binding encumbrance report to the comptroller, the state auditor, and the Legislative Budget Office by October 30th of each year.

(b) Provides for the binding encumbrance report.

(c) Requires the comptroller to lapse all unencumbered balances based on information in the binding encumbrance reports on October 31st of each year.

(d) Requires the comptroller to lapse the unexpended balance of an agency's appropriations, if the agency has not submitted a report by October 31st, and to reinstate the encumbered but unexpended appropriations, if the agency subsequently submits a report.

(e) Provides for the submission of a claim that is legally payable against an appropriation for an earlier year.

(f) Requires a state agency that expends appropriated funds to submit a nonbinding encumbrance report each month to the comptroller through the USAS, within 45 days of the end of the month covered by the report. Requires the comptroller to provide the information from the report to the Legislative Budget Office and the state auditor. Allows a state agency to use electronic media transfer of data to satisfy the requirements of this subsection. Provides that this subsection does not apply until the USAS is fully implemented.

(g) Allows the comptroller to adopt rules to administer this section.

SECTION 7. Amends Section 403.055, Government Code, as follows:

Sec. 403.055. ISSUANCE TO DEBTORS PROHIBITED. (a) Deletes the prohibition against the comptroller issuing a warrant to a person's assignee if the person is indebted or owes delinquent taxes to the state.

(b) Allows the comptroller to issue a warrant to the assignee of a person who is indebted or owes delinquent taxes to the state, if the assignment became effective before the person became indebted or delinquent.

(c) Provides that this section does not prohibit the comptroller from issuing a warrant to pay the compensation of a state officer or employee.

(d) Prohibits the comptroller from using an electronic funds transfer system to pay a person to whom the comptroller is prohibited from issuing a warrant.

(e) Provides for payment by a state agency to a person who is delinquent or indebted, or the person's assignee, when the payment is made other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.

(f) Defines "compensation," "state agency," and "state officer or employee."

SECTION 8. Amends Section 403.060(b), Government Code, to allow the comptroller to combine on a single warrant the payments to a state employee by two or more state agencies when not prohibited by law.

SECTION 9. Amends Section 403.071, Government Code, by adding Subsections (g) and (h), as follows:

Sec. 403.071. (g) Allows the comptroller and a state agency to contract for the comptroller to audit claims presented after payment.

(h) Provides that this subsection applies if the comptroller and a state agency have contracted in accordance with Subsection (g) of this section. Requires the comptroller to audit claims after payment in the same way that claims are audited under Subsection (a) of this section. Sets forth allowable actions by the comptroller if a post-payment audit shows that a claim was invalid.

SECTION 10. Amends Section 403.074, Government Code, as follows:

Sec. 403.074. MISCELLANEOUS CLAIMS. (a) Requires the comptroller to pay miscellaneous claims for which the appropriation has lapsed. Defines "miscellaneous claims."

(b) Sets forth requirements for a miscellaneous claim to be paid by the comptroller.

(d) Prohibits the comptroller from paying certain claims under this section.

(e) Provides that a claim arises on the day after the last day that payment was due on the original claim.

SECTION 11. Amends Sections 404.062(c) and (d), Government Code, as follows:

Sec. 404.062. (c) Provides that this subsection applies to money of undetermined status or money that is waiting to be taken into the treasury. Requires the money to be placed with the treasurer to the credit of the suspense account. Requires the treasurer to maintain information on such funds. Deletes old language requiring a deposit receipt.

(d) Deletes old language that refers to deposit receipts or warrants. Requires a refund from the suspense account to be made either to the payor of the money or to the payor's estate, assignee, devisee, or other successor-in-interest.

SECTION 12. Amends Section 404.066, Government Code, as follows:

Sec. 404.066. LEDGER. Deletes language that refers to deposit warrants and certain registers. Requires electronic fund transfers to be charged daily to the fund accounts.

SECTION 13. Amends Section 404.141, Government Code, to allow a petty cash account to be established for any combination of purposes a state agency considers prudent for conducting state business.

SECTION 14. Amends Chapter 404I, Government Code, by adding Section 404.1411, as follows:

Sec. 404.1411. TRAVEL ADVANCES. (a) Provides that this section applies only to the petty cash accounts established for advancing travel expense money to state officers and employees.

(b) Requires the comptroller to adopt rules governing the use of petty cash accounts.

(c) Sets forth certain areas the rules must cover.

(d) Defines "final accounting."

SECTION 15. Amends Section 404.143, Government Code, by adding Subsection (e), to prohibit a petty cash account established by a state agency from exceeding the amount determined by the comptroller as necessary for the efficient operation of the agency.

SECTION 16. Amends Section 404.147(h), Government Code, to allow the amount of currency kept in a state agency office to exceed \$100 if the comptroller determines that a higher amount is necessary for the efficient operation of the agency.

SECTION 17. Amends Section 404.149, Government Code, as follows:

Sec. 404.149. New title: EXCEPTIONS. Adds certain petty cash accounts of the Department of Mental Health and Mental Retardation, the petty cash accounts that are funded by funds outside the treasury, and the imprest funds maintained by law enforcement agencies for the purchase of evidence or other enforcement purposes, to the list of exceptions to the provisions of Subchapter I.

SECTION 18. Amends Section 431.013, Government Code, as follows:

Sec. 431.013. EXPENDITURES. Prohibits the comptroller from issuing a warrant on or initiating an electronic funds transfer from the state treasury for an expenditure under this chapter unless the expenditure is approved by the adjutant general and the governor or their designees before payment.

SECTION 19. Repealer: Section 481.084(h), Government Code.

SECTION 20. Amends Chapter 481, Government Code, by adding Section 481.0841, as follows:

Sec. 481.0841. PAYMENTS NOT TO BE MADE TO DEFAULTING USERS. (a) Requires the Department of Commerce to report to the comptroller the name of any user who is in default on a loan guaranteed under this subchapter and with respect to which the department has been required to honor a guarantee. Prohibits the comptroller from issuing a warrant or initiating an electronic funds transfer to the user while the user is in default.

(b) Allows the comptroller to issue a warrant to the assignee of a user who is in default, if the assignment became effective before the user defaulted.

(c) Provides that this section does not prohibit the comptroller from issuing a warrant to pay the compensation of a state officer or employee.

(d) Provides for payment by a state agency to a user who defaulted, or the person's assignee, when the payment is made other than through the comptroller's issuance of a warrant or the comptroller's use of an electronic funds transfer system.

(e) Defines "compensation," "state agency," and "state officer or employee."

SECTION 21. Repealer: Section 33.009, Human Resources Code.

SECTION 22. Amends Article 1.31, Insurance Code, to delete language that prohibits this article, which concerns refunds by the State Board of Insurance, from applying to any payment of tax made pursuant to Articles 4769, 7064, and 7064a, V.T.C.S.

SECTION 23. Amends Section 12A, Article 21.28, Insurance Code, by redesignating the section as Subsection (a) and adding a new Subsection (b), as follows:

Sec. 12A. (b) Provides that the liquidator and the employees working for the liquidator or in the liquidation division of the State Board of Insurance are employees of the State Board of Insurance for the purpose of reporting payroll information to the uniform statewide accounting system and submitting vouchers to the comptroller for the payment of their salaries.

SECTION 24. Amends Section 51.068(b), Natural Resources Code, to make conforming changes concerning the suspense account in the treasury.

SECTION 25. Repealer: Section 11.039, Parks and Wildlife Code.

SECTION 26. Amends Section 112.058(a), Tax Code, to make conforming changes concerning the suspense account in the treasury.

SECTION 27. Amends Section 112.059, Tax Code, to make conforming changes concerning the suspense account in the treasury.

SECTION 28. Amends Section 3.15, Article 601b, V.T.C.S. (State Purchasing and General Services Act), by adding Subsection (h), as follows:

Sec. 3.15. (h) Provides that this section does not apply to interagency purchases or transactions, which must be accomplished on special vouchers or electronically as prescribed by the comptroller. Requires the State Purchasing and General Services Commission (SPGSC) to audit all interagency purchases and transactions after they have been completed.

SECTION 29. Amends Section 3, Article 4413(32), V.T.C.S. (Interagency Cooperation Act), as follows:

Sec. 3. (a)-(d) Make nonsubstantive changes.

(e) Allows a receiving agency to advance funds to a performing agency when necessary for the performing agency to be able to provide services, materials, or equipment to the receiving agency. Requires the receiving agency and the performing agency to ensure after the services, materials, or equipment are provided that the performing agency has received only enough funds to reimburse it for its total costs, if an advance is made. Provides that an advance of funds is a reimbursement for the purpose of Section 6 of this Act.

(f) Makes nonsubstantive changes.

SECTION 30. Amends Section 6, Article 4413(32), V.T.C.S., as follows:

Sec. 6. (a) and (b) Make conforming changes to reflect electronic payments and new language regarding reimbursements.

(d) Requires the SPGSC to audit a reimbursement under this Act for compliance with the contract after the reimbursement has been completed. Requires the SPGSC to notify the comptroller if an unauthorized reimbursement has occurred. Requires the comptroller to then return the reimbursement to the agency's current appropriation items or accounts.

SECTION 31. Amends Title 72, V.T.C.S., by adding Article 4591.2, as follows:

Art. 4591.2. HOLIDAYS FOR STATE EMPLOYEES

Sec. 1. Defines "national holiday," "optional holiday," "state agency," "state employee," "state holiday," and "temporary employee."

Sec. 2. Entitles a state employee to a paid day off from work on each national and state holiday, if the holiday is not a weekend day and the Appropriations Act does not prohibit state agencies from observing the holiday.

Sec. 3. Requires a state agency to have enough state employees on duty during a state holiday to conduct its business, except on a weekend, the fourth Friday in November, December 24th, or December 26th.

Sec. 4. Provides for compensatory time for a state employee who is required to work on a national or state holiday that does not fall on a weekend day. Requires a state employee to give notice before using the compensatory time, but provides that the employee is not required to say how the time will be used.

Sec. 5. Provides for determination of total holiday time off for a state employee who normally works 40 hours per week on a schedule other than Monday through Friday.

Sec. 6. Allows a state employee to substitute an optional holiday for a state holiday or holidays, if the optional holiday is longer than one day. Prohibits a state employee from substituting the fourth Friday of November, December 24th, or December 26th.

Sec. 7. Provides for an hourly or part-time state employee's pay when the employee takes a paid day-off.

Sec. 8. Entitles a state employee who begins working for the agency on the first workday of the month or who stops working for the agency on the last workday of the month to a paid day-off for a state or national holiday that occurs on a weekday before the first workday or after the last workday. Defines "workday."

Sec. 9. Provides that this section applies to state employees of the house of representatives and the senate only at the discretion of the presiding officer or the administration committee of each house.

SECTION 32. Repealer: Article 6252-5, V.T.C.S.

SECTION 33. Amends Article 6252-8a, V.T.C.S., as follows:

Art. 6252-8a. ACCUMULATED VACATION AND SICK LEAVE; PAYMENT TO ESTATES OF EMPLOYEES. Sec. 1. Defines "state employee," rather than "employee." Sets forth individuals not included, and specifically included, in the term "state employee."

Sec. 2. Provides for payment of sick leave and vacation leave balances upon the death of a state employee.

Sec. 3. Requires a state agency to charge a payment under this Act to the fiscal year during which an employee's death occurred.

Sec. 3A. Provides that this Act does not apply if a state employee dies before the employee has accrued six months of continuous state employment. Defines "continuous state employment."

SECTION 34. Amends Sections 1 and 1A, Article 6252-8b, V.T.C.S., as follows:

Sec. 1. (a) Entitles a state employee who separates from state employment to be paid for the accrued balance of the employee's vacation time as of the date of separation.

(b) Defines "state employee," and sets forth the list of persons that the term does not include.

(c) Provides that this section applies regardless of the reason for or mode of separation from employment. Defines a separation from state employment for the purpose of this section.

(d) Requires a state agency to pay a state employee for accrued vacation time in a lump-sum, except as provided in Subsection (e) of this section.

(e) Allows a state agency to allow an employee who so consents to remain on the agency's payroll to exhaust accrued vacation time.

(f) Provides for a person who starts working for a state agency before his previous employing state agency has paid him for his accrued vacation time or such time has been exhausted.

(g) Provides that this section does not apply if a state employee separates from state employment before the employee has accrued six months of continuous state employment. Defines "continuous state employment."

(h) Requires a state agency to charge a lump-sum payment for accrued vacation time to the fiscal year in which an employee's separation from service becomes effective.

Sec. 1A. Makes conforming changes to specifically provide for "vacation" leave for a contributing member of the Employees Retirement System of Texas. Provides that Section 1 of this Act prevails over this section if there is an irreconcilable conflict between the sections.

SECTION 35. Amends Title 110A, V.T.C.S., by adding Article 6252-31, as follows:

Art. 6252-31. EXPENDITURES BY STATE AGENCIES

Sec. 1. Defines "chief deputy," "executive director," "governing body," "head of agency," and "state agency."

Sec. 2. Allows a state agency to expend appropriated funds only upon a warrant drawn by the comptroller. Prohibits the comptroller from drawing a warrant until certain conditions are met. Provides for the comptroller to use an electronic funds transfer system in lieu of issuing a warrant.

Sec. 3. Allows a state agency headed by a governing body to approve a voucher only in accordance with this section. Provides for the approval of vouchers and revocation of authorization to approve vouchers.

Sec. 4. Allows a state agency headed by an elected or appointed official to approve a voucher only in accordance with this section. Provides for the approval of vouchers and revocation of authorization to approve vouchers.

Sec. 5. Provides that this article does not prohibit a state agency from designating more than one agency officer or employee to approve the agency's vouchers.

Sec. 6. Allows the comptroller to establish by rule a system for the electronic submission and approval of vouchers by state agencies. Provides that Sections 2 through 5 do not apply, if the comptroller establishes the system, except to the extent that the sections require a state agency to approve its vouchers. Allows the comptroller to devise electronic means for voucher approval. Requires an electronic system to provide the same or greater level of security as provided by Sections 2 through 5.

Sec. 7. Provides for approval of vouchers by the SPGSC. Allows the comptroller to establish by rule a system for the electronic approval of vouchers by the SPGSC.

Sec. 8. Provides for approval of vouchers by the State Highway Commission.

Sec. 9. Provides that this article does not apply to an expenditure from an appropriated local fund. Provides, however, that this article does apply when a state agency seeks the reimbursement of an appropriated local fund for an expenditure from the fund.

SECTION 36. (a) Repealer: Article 6813d, V.T.C.S.

(b) Provides that the repeal does not affect the eligibility of state employees to receive or continue receiving longevity pay under Sections 1(b) and (c), Article 6252-20b, V.T.C.S.

SECTION 37. Amends Title 117, V.T.C.S., by adding Article 6813d-1, as follows:

Art. 6813d-1. LONGEVITY PAY FOR STATE EMPLOYEES. Sec. 1. Defines "full-time state employee," "part-time state employee," regular, nonacademic employee," "state employee," and "temporary employee."

Sec. 2. Sets forth conditions under which a state employee is entitled to longevity pay after five years of lifetime service as a state employee.

Sec. 3. Provides that the amount of monthly longevity pay is \$4, and no more, for each year of lifetime service credit, and that the amount increases in five year intervals starting at the 10th year of service.

Sec. 4. Provides for payment of longevity pay for a state employee who ceases to be a full-time state employee after the first workday of a month.

Sec. 5. Sets forth positions in which a state employee is entitled to receive longevity pay. Provides for accrual of lifetime service credit when the person is on leave. Provides that a person who simultaneously holds two or more positions that accrue lifetime service credit may accrue credit for only one of the positions. Provides that an officer or employee of a public junior college does not accrue lifetime service credit for the purpose of this article.

Sec. 6. Requires the comptroller to adopt rules to administer this article.

SECTION 38. Amends Article 6826, V.T.C.S., as follows:

Art. 6826. HOW PAID. Sec. 1. Makes nonsubstantive changes and conforming changes to provide for payment of annual salaries by electronic funds transfer.

Sec. 2. Makes nonsubstantive changes.

Sec. 3. Makes nonsubstantive changes. Defines "working day."

SECTION 39. Repeals all laws that conflict with Section 35 of this Act to the extent of the conflict, including laws that apply to one or a limited number of state agencies and laws passed by the 72nd Legislature, Regular Session, 1991.

SECTION 40. Amends Section 34, Chapter 207, Acts of the 71st Legislature, Regular Session, 1989, to make conforming changes to reflect the inclusion of petty cash funds and the exceptions listed in Section 404.149, Government Code.

SECTION 41. Amends Article V, Section 8.1, of the General Appropriations Act for fiscal years 1992-1993, to provide that if an employee begins working on the first workday of the month, the employee is deemed to have begun working on the first calendar day of the month for the purpose of this subsection.

SECTION 42. Provides that for the purposes of Section 4, S.B. 1358, and Section 4, H.B. 2390, Acts of the 72nd Legislature, Regular Session, 1991, Section 40 of this Act is Section 44 of this Act, and Section 44 of this Act is Section 45 of this Act.

SECTION 43. Effective date: September 1, 1991.

SECTION 44. Emergency clause.